

Message Text

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ORIGIN EB-07

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INFO AMEMBASSY AMMAN
AMEMBASSY DAMASCUS
AMEMBASSY ROME

C O N F I D E N T I A L STATE 134990

E.O. 11652: GDS

TAGS: EAIR, SA

SUBJECT: CIVAIR - US-SAUDI PRELIMINARY TALKS

1. REPRESENTATIVES FROM THE KINGDOM OF SAUDI ARABIA AND THE
US MET IN WASHINGTON ON JUNE 8 AND 9 FOR INFORMAL, PRELIM-
INARY DISCUSSIONS OF BILATERAL CIVIL AVIATION MATTERS.
ADNAN SADAT, DIRECTOR OF AIR TRANSPORT, CIVIL AVIATION
DIRECTORATE, RIDHA HAKEEM, SAUDIA VP AND A.MUHALHAL, SAUDIA
MANAGER USA WERE CANDID IN DISCUSSING SAUDI POSITION.
US OFFICIALS, HEADED BY ROBERT A. BROWN, CHIEF, AVIATION
NEGOTIATIONS DIVISION, WERE EQUALLY CANDID IN OUTLINING
US CONSTRAINTS.

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2. TALKS WERE CORDIAL AND BOTH SIDES BENEFITED BY CLARIFI-
CATION OF THE OBJECTIVES AND PREPARING THE WAY FOR FUTURE
FORMAL NEGOTIATIONS OF AN AIR TRANSPORT AGREEMENT. SAUDI
SIDE MADE IT CLEAR THAT THEY DID NOT WANT TO BE INCLUDED IN
ANY REGIONAL AVIATION CONSORTIUM, THAT THEY REGARDED SAUDI
ARABIA AS THE PRINCIPAL MARKET IN THE PERSIAN GULF AREA;
AND THAT AN IMMEDIATE ARRANGEMENT SHOULD BE MADE WITH THE

UNITED STATES TO ENSURE THAT THE BENEFITS FROM US-SAUDI AIR TRANSPORTATION ACCRUE TO THE AIRLINES OF THE TWO COUNTRIES AND NOT TO THIRD COUNTRY AIRLINES. THEY INDICATED THAT THEIR FIRST PRIORITY WAS TO FORMALIZE AVIATION RELATIONS

VIA AN AIR TRANSPORT AGREEMENT.

3. EACH SIDE EXPLAINED AT LENGTH ITS GENERAL OPERATING PHILOSOPHY. THE US STRESSED THE ABSOLUTE NECESSITY FOR SAUDIA TO OBTAIN A FOREIGN AIR CARRIER PERMIT FROM THE CAB AND ADVISED THAT SAUDIA OBTAIN A LOCAL ATTORNEY TO PREPARE APPLICATION (TO OUR KNOWLEDGE SAUDIA DID NOT OBTAIN ATTORNEY DURING TWO DAYS IN WASHINGTON). WE ALSO INDICATED THAT POOLING AND OTHER ANTI-COMPETITIVE PRACTICES WERE FORBIDDEN BY US LAW AND THAT COMMERCIAL ARRANGEMENTS WITH US AIRLINES COULD NOT FOLLOW THE USUAL FORM OF INTERAIRLINE AGREEMENTS ENTERED INTO BY SAUDIA AND OTHER FOREIGN AIRLINES. THE QUESTION OF BLOCKED SPACE ARRANGEMENTS BY SAUDIA ON US SCHEDULED FLIGHTS WAS LEFT FOR FUTURE DISCUSSION.

4. IN A MEMORANDUM SUMMARIZING THE DISCUSSIONS, THE UNITED STATES INDICATED THAT A SAUDIA APPLICATION TO THE CAB FOR A FOREIGN AIR CARRIER PERMIT WOULD RECEIVE PROMPT AND SYMPATHETIC CONSIDERATION. SAUDIS AGREED TO CONSIDER TWA'S APPLICATIONS PROMPTLY AND SYMPATHETICALLY IF RESUBMITTED THROUGH DIPLOMATIC CHANNELS. BOTH SIDES EXCHANGED DRAFTS OF STANDARD AIR TRANSPORT AGREEMENTS.

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5. IN RESPONSE TO STRONG SAUDI REQUEST, IT WAS AGREED THAT NEGOTIATION OF AIR TRANSPORT AGREEMENT WOULD COMMENCE AT A MUTUALLY CONVENIENT TIME BEFORE THE END OF THE YEAR IN EITHER WASHINGTON OR JIDDA.

6. JOINT MEMORANDUM OF MEETING FOLLOWS:

"REPRESENTATIVES OF THE KINGDOM OF SAUDI ARABIA AND THE UNITED STATES OF AMERICAN INFORMALLY DISCUSSED VARIOUS AVIATION ISSUES IN WASHINGTON, DC ON JUNE 7 AND 8, 1977.

DISCUSSIONS CENTERED ABOUT:

A. THE SAUDI DESIRE TO HOLD FORMAL NEGOTIATIONS LEADING TO A BILATERAL AIR TRANSPORT AGREEMENT IN ORDER TO CEMENT CIVIL AVIATION TIES WITH THE UNITED STATES.

B. THE SAUDI DESIRE TO PARTICIPATE IN CHARTER AND SCHEDULED SERVICES BETWEEN THE UNITED STATES AND SAUDI

ARABIA WHILE BILATERAL DISCUSSIONS ARE IN PROGRESS.

C. THE UNITED STATES' DESIRE TO SEE THE SAUDI AUTHORITIES APPROVE THE PENDING APPLICATIONS BY TWA FOR SCHEDULED SERVICES AND CHARTER ARRANGEMENTS FOR ARAMCO.

WITH RESPECT TO POINT B ABOVE, THE UNITED STATES OUTLINED PROCEDURES AND PRACTICES TO BE FOLLOWED BY SAUDIA AIRLINE IN ORDER TO SECURE A FOREIGN AIR CARRIER PERMIT.

THE UNITED STATES ASSURED THE SAUDI REPRESENTATIVES THAT EVERY CONSIDERATION WOULD BE GIVEN TO THEIR INTERESTS AND THAT APPLICATIONS SUBMITTED BY THEM THROUGH DIPLOMATIC CHANNELS WOULD BE EXPEDITIOUSLY FORWARDED TO THE CIVIL AERONAUTICS BOARD FOR PROMPT ACTION.

WITH REGARD TO POINT A ABOVE, THE UNITED STATES REPRESENTATIVES

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SENTATIVES AGREED WITH THEIR SAUDI COLLEAGUES THAT IT WAS IN THE BEST INTERESTS OF ALL PARTIES TO IDENTIFY AND PURSUE MUTUALLY BENEFICIAL CIVIL AVIATION OBJECTIVES WHICH WOULD STRENGTHEN THOSE TRADITIONAL TIES OF FRIENDSHIP AND COMMERCE WHICH BOTH NATIONS HAVE LONG ENJOYED. TO THIS END IT WAS AGREED THAT FORMAL NEGOTIATIONS WOULD BEGIN BEFORE THE END OF 1977 AT A LOCATION TO BE MUTUALLY DECIDED UPON.

THE SAUDI REPRESENTATIVES EXPRESSED SATISFACTION ABOUT THE PROGRESS OF THESE DISCUSSIONS AND INDICATED THAT THE PENDING TWA APPLICATIONS, WHEN RESUBMITTED THROUGH DIPLOMATIC CHANNELS, WOULD RECEIVE PROMPT, SYMPATHETIC CONSIDERATION BY THE APPROPRIATE AUTHORITIES, AND THAT THE SAUDIA APPLICATION WOULD RECEIVE THE SAME SYMPATHETIC CONSIDERATION FOR A SIMILAR OPERATION BY THE UNITED STATES AUTHORITIES. THE UNITED STATES REPRESENTATIVES ALSO EXPRESSED SATISFACTION WITH THE PROGRESS OF THE TALKS.

AT THE CONCLUSION OF THE TALKS THE TWO SIDES EXCHANGED DRAFT TEXTS OF AN AIR SERVICES AGREEMENT. "

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